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TO RUEHC/SECSTATE WASHDC PRIORITY 6395
INFO RUEHAC/AMEMBASSY ASUNCION 7562
RUEHBO/AMEMBASSY BOGOTA 4933
RUEHBR/AMEMBASSY BRASILIA 8838
RUEHCV/AMEMBASSY CARACAS 3269
RUEHPE/AMEMBASSY LIMA 3490
RUEHQD/AMEMBASSY QUITO 5904
RUEHSG/AMEMBASSY SANTIAGO 0517
RUEHSO/AMCONSUL SAO PAULO 2183
RHEHNSC/NSC WASHINGTON DC
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C O N F I D E N T I A L LA PAZ 000259

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E.O. 12958: DECL: 01/03/2017

TAGS: PGOV PREL KPAS EAID MGMT PINR BL

SUBJECT: SANTA CRUZ CALLS FOR MAY 4 VOTE ON AUTONOMY WHILE
EMBASSY INAUGURATES VPP SITE

REF: LA PAZ 150

Classified By: ECOPOL Counselor Mike Hammer for reason 1.4 (b) and (d).

¶1. (U) The Ambassador's January 31-February 1 visit to Santa Cruz coincided with Prefect Ruben Costas' call for a referendum on the Santa Cruz autonomy statute to be held on May 4, 2008. The prefect and the departmental council issued a resolution calling for the vote, and the Constitutional Court must approve or negate the resolution within eight days. Vice Minister for Coordination of Social Movements and Civil Society Sacha Llorenti declared the resolution illegal, arguing that referenda can only be convoked by the Congress.

¶2. (C) Costas told the Ambassador that Santa Cruz was determined to follow through, step by step, on its quest for autonomy. He did not expect the national dialogue between President Evo Morales and the nine departmental prefects to achieve the desired results for the opposition: reversing the cuts in hydrocarbon revenues (IDH) distributed to the prefects and making significant changes to the government's draft constitution, including significant powers for autonomous departments. Forseeing an eventual breakdown in the dialogue, Costas and the other opposition prefects would then push for a recall referendum to stall any constitutional referendum. Costas believes most, but not all, prefects would win any recall referendum. The prefect also expressed his extreme displeasure with OAS SYG Insulza's recent visit to Bolivia and public remarks endorsing the Morales government. Costas spoke in depth about the crisis caused by heavy rains and flooding throughout Santa Cruz Department and the need for heavy investments in infrastructure, including a new dam and road repairs, to prevent further losses of lives and livelihood. The cuts in IDH directly affect the prefect's ability to carry through on those urgently-needed projects.

¶3. (SBU) Similarly, interlocutors from the Santa Cruz Civic Committee opined that the national dialogue was going nowhere. They repeated previous claims (reftel) that it was a useful delaying tactic while they worked at the grass-roots level to promote the autonomy statute. On the other hand, they admitted the ruling MAS party is working equally hard at the grass-roots level to promote the draft constitution.

¶4. (U) In addition to meeting with political and business

leaders, the American Presence Officer and mission personnel organized an aggressive agenda of public outreach to highlight U.S. activities in Santa Cruz:

-- The Ambassador inaugurated the new Virtual Presence Post website "Enfoque Santa Cruz," with participation by the Prefect, the Mayor, the Municipal Council President, and 400 guests including all the major local press. Personnel from embassy agencies/sections were on hand to explain the various USG programs in Santa Cruz.

-- The Ambassador announced a donation of humanitarian aid for flood victims, and the USAID Director delivered relief supplies to citizens in the municipality of San Pedro.

--The Ambassador visited the Santa Cruz Binational Center and met with beneficiaries of the John F. Kennedy scholarship program, which grants English scholarships to poor students in public high schools who excel in academics and leadership.

At the same time, he inaugurated a poster show on civil rights and announced a new English scholarship program "Martin Luther King: College Horizons" for Afro-Bolivian and indigenous students.

-- The Ambassador highlighted USAID's Santa Cruz Business Development Center assistance to small and medium enterprises, including a metallurgical company that is the first in Bolivia to obtain certification by the American Society of Mechanical Engineers thanks to USG assistance.

-- The Ambassador visited Peace Corps Volunteers working on agricultural and microenterprise projects, and met with beneficiaries of the volunteers' programs.

GOLDBERG